



RESPONSIBLE RECRUITMENT GUIDELINE

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ABOUT US

In 1999, a rationalisation exercise of the various associations, advisory bodies, and councils of the plantation industry saw the birth of a single umbrella entity; the government supported Malaysian Palm Oil Association (MPOA).

In its wake, three large plantation sector organisations, namely the Rubber Growers Association (RGA, in operation since 1968), the United Planting Association of Malaysia (UPAM, since 1897), and the Malaysian Oil Palm Growers Council (MOPGC, since 1968) were dissolved.

MPOA has been tasked with the important function of balancing the needs and interests of the various sectors for synergy and development of the plantation industry as a whole. Though a crop-specific body that will focus on oil palm, MPOA also serves the interests of other plantation crops such as rubber, cocoa, tea, and non-crop issues relating to land, labour, trade and pricing.

As an integrated single powerful voice, MPOA is expected to represent the complex needs of the plantation industry more effectively, particularly now that the economy is being rapidly globalised.



MISSION & OBJECTIVES

The mission of MPOA is to effectively support and advocate for its members in the plantation industry by establishing strong relationships with government bodies, agencies and other relevant stakeholders. We strive to facilitate collaboration and address issues related to authorities, regulators and related aspects relating to compliance while actively contributing to the implementation of government policies, regulations and industry standards.

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PREAMBLE

The Malaysian Palm Oil Association (MPOA) is committed to the prevention of forced labour in the palm oil industry. In December 2021, MPOA introduced the Responsible Employment Charter to provide clarity and transparency on the recruitment processes of migrant workers.

This guideline will serve as a valuable tool that can help to ensure that the Malaysian palm oil industry is free from forced labour. It sets out clear standards for the recruitment of foreign migrant workers, including aspects on the transparency on the job scopes, safer working conditions, and the prevention of debt bondage.

MPOA encourages all plantation companies in Malaysia to adopt the guideline and incorporate it into their respective recruitment processes. By doing so, we can help to create a more ethical and sustainable palm oil industry.

This guideline is derived from a compilation of current practices by MPOA members, in consultation with relevant NGO's such as Tenaganita and ILO.

OBJECTIVE

This guideline is intended to provide a structured & systematic approach, and ensuring greater clarity and transparency in the recruitment processes of foreign migrant workers, while strengthening industry practices to prevent and address risks of forced labour. It serves as a practical reference for MPOA members on the effective operationalisation of the MPOA Responsible Employment Charter.

By promoting adherence to established standards and procedures, it supports responsible employment practices, enhances compliance, and reinforces the industry's commitment to ethical labour management.



MPOA RESPONSIBLE EMPLOYMENT CHARTER

The MPOA Employment Charter, launched in December 2021, embodies the commitment of MPOA members to responsible recruitment, fair treatment of workers, and ethical employment practices throughout the palm oil industry. The Charter reinforces the industry's support for national efforts to prevent and eliminate forced labour, including the objectives of the National Action Plan on Forced Labour 2021–2025, while aligning with internationally recognised frameworks such as the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and the International Recruitment Integrity System (IRIS). Through the Charter, MPOA members pledge to comply with all applicable Malaysian labour laws and the labour-related requirements of the MSPO standard, while continuously enhancing labour governance and employment practices in line with international best practices.

The MPOA Recruitment Guideline is developed as a practical implementation tool to support the commitments set out in the Employment Charter. It provides MPOA members with a structured framework and recommended practices to promote ethical recruitment, strengthen due diligence throughout the recruitment process, mitigate risks of forced labour and worker exploitation, and ensure that recruitment practices are aligned with both Malaysian legal requirements and international labour standards. Together, the Employment Charter and the Recruitment Guideline demonstrate the industry's commitment to responsible employment and the protection of workers' rights across the palm oil supply chain.



MALAYSIAN PALM OIL ASSOCIATION (MPOA)

RESPONSIBLE EMPLOYMENT CHARTER

Preamble

Members of MPOA respect and support the Universal Declaration of Human Rights, and the rights of all workers including contract, temporary and migrant workers.

This Charter apply to the members of this Association as **Growers** within the international palm oil supply chain.

The commitments of this charter are based on :

- United Nations (UN) Guiding Principles on Business and Human Rights framework;
- ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up;
- The International Recruitment Integrity System (IRIS) developed and implemented by the UN International Organization for Migration.

The Members commit to the following:

- 1) Our commitment to all workers is enshrined in the ILO Declaration on Fundamental Principles and Rights at Work, specifically:
 - The elimination of all forms of forced or compulsory labour;
 - The effective abolition of child labour;
 - The elimination of discrimination in respect of employment and occupation;
 - Freedom of association and the effective recognition of the right to collective bargaining

We shall ensure the thorough application of these principles through our existing internal policies and commitments.

2) Our commitment to all workers goes beyond the commitment to just respecting the right of workers to access trade unions. We will facilitate communication between workers and national worker organisations to promote this right.

3) We commit to comply with all Malaysian labour laws, specifically :

- Workers Minimum Standards of Housing and Amenities Act 1990, and other applicable laws relating to workers' housing and living conditions
- Children and Young Persons of Employment Act 1960
- No gender discrimination and sexual harassment in the context of Malaysian law

We further commit to comply with the Malaysian Sustainable Palm Oil (MSPO) Principles & Criteria relating to labour rights and practices.

4) Our commitment to all workers, with specific consideration for migrant workers, is to respect the principles of the International Recruitment Integrity System (IRIS) as follow:

General Principle A: Respect for Laws, Fundamental Principles and Rights at Work

General Principle B: Respect for Ethical and Professional Conduct

Principle 1: Prohibition of Recruitment Fees to Jobseekers

Principle 2: Respect for Freedom of Movement including no retention of personal documents.

Principle 3: Respect for Transparency of Terms and Conditions of Employment

Principle 4: Respect for Confidentiality and Data Protection

Principle 5: Respect for Access to Remedy

5) We shall ensure clear visibility of labour rights risk throughout our operations. We commit to remedy any infringement of these rights and implement transparent Correction Action Plan to prevent the recurrence of such infringement.

Members of MPOA recognise the important role of the government in ensuring these commitments are met. In this respect, we firmly support the Malaysian Government's National Action Plan on Forced Labour 2021-2025, and its proposal to ratify ILO Protocol to the Forced Labour Convention.

ZERO RECRUITMENT FEES

Zero Recruitment Fees Definition

In the midst of a lack of a definition for Zero Recruitment Fees, MPOA has identified a list of items that will be covered by employers in the recruitment process. These fees have also been identified in each stage of the recruitment process

Fees Covered by the Employer Throughout Recruitment Process

1. International passport and travelling fees (based on company recruitment practices)
2. Medical fees (registered/certified practitioners). Medical payment to be paid directly to the medical centers.
3. Biomedical (FWCMS) in the source country.
4. Pre-departure briefing/training.
5. Internal travel (local transportation, from agent base to the point of departure), food & lodging (based on a reasonable and fixed amount to be determined) - during the process following selection, and to the point of departure/airport.
6. Documentation (photographs, photocopies, printings, etc.).
7. Purchase of flight ticket or travel arrangement by the employer.
8. Fees or taxes specified by the respective source country government for recruitment purposes, e.g., PPN (10% tax), PPA (School fees/workers' familiarisation programme) - Indonesia; e-migrate - India.

RECRUITMENT GUIDELINE

STAGE 1 : PRE-RECRUITMENT



1. Identifying Recruitment Need

The operating unit/management of the company recognizes the requirement for new recruitment and informs the HR department about the need, furnishing relevant information pertaining to the category or workers and labour/land ratio.

2. Confirmation to Initiate Recruitment

HR validates the recruitment need and gives the green light to commence the recruitment process.

3. Job Advertisement Placement in Local Portals

The job vacancies are advertised on the MyFutureJobs /SarawakJobs portal.

4. Application for Quota

After advertising, the application process for the quota of foreign migrant workers through the Foreign Worker Centralized Management System (FWCMS) is initiated. Ensure all requirements are in accordance with the local regulatory requirements i.e Act 446- Employees Minimum Standards of Housing, Accommodation & Amenities Act 1990.

5. Quota Approval & Levy Payment

Upon the approval of the quota for foreign migrant workers, proceed to make the necessary levy payments.

6. Engagement of Recruitment Agents (local or at approved source country):

Collaborate with recruitment agents to carry out the recruitment process effectively.

7. Recruitment Advertisement at Source Country

- If feasible, an in-house job advertisement is developed to outline the job vacancy. This advertisement is then provided to the recruitment agent for dissemination. Employers can also appoint agents to produce advertisements with specific criteria provided by the employer.
- Ensure translated job adverts are comprehensible for foreign migrant workers, and translations are carried out by translators.
- Employers must ensure that the advertisements provide accurate information, encompassing job responsibilities, benefits, salary, etc.
- Employers must obtain endorsement from their respective headquarters (HQ) to ensure consistency in the information presented.

STAGE 1 FEE INVOLVE

- Levy (Upon approval of quota)

STAGE 2 : SELECTION OF RECRUITMENT AGENTS

1. Selection of Accredited Foreign or Local Recruiting Agents

- Recruiting agents will be chosen through a Tender process to ensure a transparent and ethical selection.
- Due Diligence procedures will be conducted to verify the ethical practices and transparency of the recruiting agents. This ensures that foreign migrant workers are recruited without deception.
- Throughout the recruitment process, the appointed agents are prohibited from charging any recruitment-related costs to the foreign migrant worker. Assurance is given to the foreign migrant worker that the job application will not be jeopardized if a complaint is made and following investigations are found to be true.

2. Requirements for Recruiting Agents

2.1 Legal Registration:

- **In Malaysia**, recruiting agents must be registered with the Ministry of Human Resources (MOHR) and can be selected from the official list of agents available on the JTK Portal

Peninsular: Senarai Agensi Pekerjaan Swasta, Jabatan Tenaga Kerja Semenanjung

Sabah: Senarai Agensi Pekerjaan Swasta, Jabatan Tenaga Kerja Sabah

Sarawak: Senarai Agensi Pekerjaan Swasta, Jabatan Tenaga Kerja Sarawak

- **In source countries**, the recruiting agents can be selected from the list of agents on the Foreign Worker Centralized Management System (FWCMS) portal, under the heading of "FWCMS Registered Agents"

2.2 Agents' Reputable and Ethical Standing :

- The appointed agent must possess a well-established reputation in the industry with a proven commitment to ethical recruitment practices.
- Employers are encouraged to assess agent reviews, ratings, and references from other employers who have previously used their services.
- The appointed agent must understand and commit to ethical recruitment processes, i.e., workers are informed of the full specification of the job listed.
- Appointed agent is listed on the MOHR and FWCMS portals, confirming recognition from the government.
- Appointed agent has a documented history of successfully facilitating the recruitment of foreign migrant workers.
- Appointed agent has records of upholding transparent practices throughout the recruitment process.

RECRUITMENT GUIDELINE

STAGE 2 : SELECTION OF AGENTS



- Appointed agent must be thoroughly familiar with the recruitment laws and processes in both Malaysia and source countries.
- Appointed agent must have a zero recruitment fee policy.

3. Once Selected, recruiting agents are furnished with the Agency Agreement / Letter of Award

- Clearly state the Do's and Don'ts of the recruitment process

The Employers are encouraged to continuously monitor the entire recruitment process

STAGE 2 FEES INVOLVE

- Agency Service Charge (MRA) / Agency Fee
- Job Order / Attestation Fees at Embassy (If applicable)

RECRUITMENT GUIDELINE

STAGE 3 : SELECTION OF CANDIDATES



1. Commencement of Recruitment Advertisements

- Once selected, authorized recruitment agents are permitted to initiate recruitment advertisements in the source country.

2. Establishment of contact channel in languages understandable or native to the foreign migrant workers (e.g: Toll Free Call Centers, contact numbers, email, Whatsapp) for information dissemination

- To raise awareness and provide comprehensive information about the legal recruitment process, i.e., associated fees, job scope, company policies, workers' rights, work nature, and the employment contract.
- Focus on preventing deception and reducing worker vulnerability.

3. Application Screening and Worker Interviews

- Conduct a thorough screening of all shortlisted applicants.
- The appointed recruitment agents need to ensure that the shortlisted candidate does not have any debt bondage related to the recruitment.
- During in-person interviews, candidates must formally declare that no recruitment fees have been paid at any stage of the recruitment process. Such declarations shall be properly documented and retained by the employer for record-keeping and audit purposes. Documentation may include, but is not limited to, a signed declaration form and video recording of the declaration, to be maintained by the employer for future reference and verification.
- Arrange interviews for potential workers where both the recruitment agent and a company representative are present during the session.

4. Interview Session Requirements :

- Translator Presence During interviews : a translator proficient in the language understood by the foreign migrant worker must be present to facilitate communication.
- Comprehensive briefings during interviews should cover the following topics:
 1. Nature of work and job scopes
 2. Terms of Employment
 3. Rights and Responsibilities of workers
 4. Remuneration and Provided Benefits
 5. Company Policy
 6. Zero Recruitment fees Policy

RECRUITMENT GUIDELINE

STAGE 3 : SELECTION OF CANDIDATES



5. Application for *Visa Dengan Rujukan* (VDR)

- Based on the biodata of applicants provided by the appointed recruiting agent, employers are to apply for VDR through the FWCMS system.
- Employers need to apply and purchase an Insurance Guarantee (Security Bond/Bank Guarantee) for at least 18 months from a chosen Insurance Company i.e Foreign Worker Insurance Guarantee (FWIG) which a mandatory requirement by Malaysian Immigration Department.
- Once payment for VDR has been approved, employers can proceed with payments to the Immigration for other statutory payments, such as PLKS Processing Fee and Visa.
- Once the VDR Application has been approved by the State Immigration Department, employers need to send a copy of the VDR Approval to the appointed agents for the Application of Visa from the Malaysian High Commission Embassy, depending on the source country requirements.

The Employers are encouraged to continuously monitor the entire recruitment process

STAGE 3 FEES INVOLVED (UPON CANDIDATE SELECTION)

1. Medical Check-Up (From Accredited Medical Centres/Facilities).
2. Passport (In Accordance to Employers Policy)
3. Insurance Guarantee
4. FWCMS

RECRUITMENT GUIDELINE

STAGE 4 : PRE-DEPARTURE



1. Pre-Departure Briefing/Training

- Conduct a comprehensive pre-departure briefing and training session for foreign migrant workers to prepare them for their employment abroad. This can be conducted by the appointed agents in the native language or in a language understandable to the foreign migrant worker.
- Pre departure briefing/training should cover in-depth information of :-
 - i. Nature of Work and Job Scopes
 - ii. Terms of Employment
 - iii. Rights and Responsibilities
 - iv. Remuneration and Provided Benefits
 - v. Company Policy & Zero Recruitment Fees Policy
 - vi. Laws & Regulations
 - vii. Social Aspects

2. Distribution of Employment Contracts in Native Languages

- Provide employment contracts in the workers' native languages. Ensure the employment contract has been endorsed by the source country authorities.
- These contracts are provided in advance to allow workers sufficient time, i.e., at least 3 days before departure, to review and understand the contract content.
- Strictly prohibit any substitution or alteration of the contract terms.
- The appointed recruiting agent needs to provide evidence that the foreign migrant worker has understood and accepted the terms and conditions of the contract. Such declarations shall be properly documented and retained by the employer for record-keeping and audit purposes. Documentation may include, but is not limited to, a signed declaration form and video recording of the declaration, to be maintained by the employer for future reference and verification.

3. Pre-Employment Declaration and Contract Signing by Foreign Migrant Worker

- Require all foreign migrant workers to complete a pre-employment declaration on the zero recruitment fees.
- Ensure that foreign migrant workers sign the employment contract agreement to acknowledge their understanding and acceptance of the terms and conditions. All contracts are signed in the presence of the recruiting agent.

4. Verification by the recruiting agent on compliance with Zero Recruitment Fees

- Verify that no payment of recruitment fees has been incurred by the foreign migrant worker.
- If any workers are found or reported to have paid recruitment fees, investigation and verification will be conducted by both the appointed recruiting agent and employer, and if found to be true, the appointed agent will rectify the matter before departure. Without prejudice to the worker.

RECRUITMENT GUIDELINE

STAGE 4 : PRE-DEPARTURE



5. Preparation of Travel Documents

- Facilitate the preparation of all necessary travel documents for the workers to ensure they are legally eligible for international travel and employment.

6. Travel Arrangements

- Employers to organise the travel arrangement e.g. air tickets for the workers' travel to their destination of employment, internal travel from agent base to the point of departure.

STAGE 4 FEES INVOLVED

1. Internal travel (local transportation from agent base to point of departure)
2. Food and lodging during process following selection; and to point of departure/ airport (based on a reasonable and fixed amount which will be determined)
3. Documentation (photograph, photocopies, printing etc.)
4. Travel expenses to host country e.g. purchase of flight ticket by employer.
5. Training Fees/"School Fees" for workers familiarisation programme (Indonesia).
6. Relevant Visa Fees
7. Pas Lawatan Kerja Sementara (PLKS)
8. Immigration Service Charge
9. Assurance Bond (Insurance Guarantee)

STAGE 5 : UPON ARRIVAL AT HOST COUNTRY

1. Timely Pick Up by Operating Unit

- Ensure that workers who have arrived in the host country are picked up by the operating unit within 3 hours of their arrival.
- Workers must be met by company representatives with valid supporting documents as stipulated by the Immigration Dept.
- Food and beverage to be provided accordingly.

2. Verification of Recruitment Process by Employers

- Conduct further verification through interviews or surveys to confirm that no non-mandated or illegal fees, commissions, or levies have been imposed or collected from the workers by any parties during the recruitment process. Such declarations shall be properly documented and retained by the employer for record-keeping and audit purposes. Documentation may include, but is not limited to, a signed declaration form and video recording of the declaration, to be maintained by the employer for future reference and verification.
- If such fees are found to be charged to the workers, the employer will require the appointed recruiting agency to reimburse the foreign migrant workers.

3. Additional Briefing and Zero Recruitment Fee Declaration

- Organize an additional short briefing session for foreign migrant workers to provide them with essential information.
- Briefing upon arrival should cover information on:
 - i. Estimated journey to Operating Units.
 - ii. SOP upon arrival at Operating Units, i.e., distribution of provisions, allocation of lodging etc.
- During this session, have workers sign the Zero Recruitment Fees Declaration Form (in native language) at Kuala Lumpur International Airport (KLIA) or the official entry point. Alternatively, the Zero Recruitment Fees Declaration Form can be signed within one week of arrival, provided that this is informed in the briefing session upon arrival.
- Arrange for transportation to the designated Operating Units.

4. Provision of Accommodation and Basic Necessities

- Ensure that workers are provided with suitable accommodation and basic necessities upon their arrival as per Act 446.
- New workers should receive suitable work-related equipment, such as personal protective equipment (PPE) in compliance with OSH Act 1994.

STAGE 5 FEE INVOLVED

1. Transport of workers from point of entry / KLIA to Estate
2. Meals upon arrival

RECRUITMENT GUIDELINE

STAGE 6 : WITHIN 30 DAYS OF ARRIVAL AT HOST COUNTRY



1. Orientation Program/Familiarisation and Safety Briefing (encouraged to be conducted within 3 days upon arrival). Amongst topics to be included are as follows:

- i. Terms of Employment
 - ii. Company Policy
 - iii. Safety and Health Aspects
 - iv. Grievance Mechanism
 - v. Sustainability Policy
 - iv. Payslip Details
- This period aims to help workers acclimate to their new environment, avoid culture shock, and become familiar with workplace expectations and cultural norms.

2. FOMEMA Medical Check Up and Work Permit Validation

- Ensure that all workers undergo the required FOMEMA medical checkup as per regulations.
- Upon passing the FOMEMA checkup, proceed with the application for work permits for each worker.

3. Passport Documentation

- Employers do not retain the passports of foreign migrant workers except for permit renewal purposes.
- A photocopy of each foreign migrant worker's passport is made for record-keeping purposes.

4. Opening of Savings Account

- Facilitate the opening of savings accounts for workers. All bank cards and passbooks will be kept by the foreign migrant worker.

STAGE 6 FEES INVOLVED

- 1. Foreign Workers Medical Examination Monitoring Agency (FOMEMA)
- 2. SOCSO

1. Handling of Passport

- Passports are kept by foreign migrant workers at all times except for the permit renewal period.
- The employer must provide a secured storage facility within worker's quarters in accordance to Act 446.

2. Non-Withholding of Wages and Penalties

- Ensure that there is no withholding of wages or imposition of penalties on foreign migrant workers who choose to leave the company, except as specified in their employment contracts.
- Ensure compliance of the terms and conditions of the contract.

3. Voluntary Overtime and Work on Day of Rest (WDR)

- All work, including overtime and Work on the Day of Rest (WDR), should be carried on a voluntary basis.
- Calculation for overtime and WDR should align with the rates stipulated in the Malaysian Employment Act 1955.

4. Compliance with Housing Standards

- Ensure that the living quarters provided for all workers adhere to the standards outlined in the "Workers Minimum Standards of Housing and Amenities Act 1990". The living conditions should be safe, clean, and in accordance with legal requirements of Act 446.

5. Access to Grievance Mechanism During Employment

- Establish and maintain a grievance mechanism that allows workers to raise concerns, report issues, and seek resolution in a confidential and accessible manner. This mechanism must include worker representatives.
- Foreign migrant workers must be briefed on the grievance mechanism.



STAGE 8 : COMPLETION OF EMPLOYMENT OF SERVICE AND / OR REPATRIATION

1.Provision for travel arrangement back to source country

- Ensure that all foreign migrant workers are provided for their journey to their country-of-origin destination, as advised by the foreign migrant worker.
- The travel arrangement should be arranged in accordance with the worker's departure date and destination.

2.Transportation to the Point of Departure

- Organize transportation from the operating unit to the point of departure for the foreign migrant workers.
- Ensure that transportation arrangements are made in a timely and efficient manner to facilitate the workers' departure.

3.Apply for Check Out Memo (COM) in compliance with the immigration law.

- This must be applied upon receipt of arrangement of transportation for departure i.e. receipt of flight ticket.

STAGE 8 FEE INVOLVED

- 1.Transportation fare from operating unit to point of entry at source country.



APPLIED PRINCIPLES & ACTS

- International Labour Organisation (ILO) forced labour Convention 1930, ILO Migration for Employment Convention (Revised) 1949, ILO instruments on migrant workers (Conventions Nos 97 and 143 and Recommendations Nos 86 and 151).
- The United Nations Guiding Principles on Business and Human Rights, United Nations Global Compact on human rights, labour, environment and anti-corruption.
- Principles of Free and Fair Labour in Palm Oil Production.
- Employment Act 1955
- Immigration Act 1959/63
- Private Employment Agencies (Amendment) Act 2017.
- Workmen's Compensation Act 1952.
- Act 446 Employees' Minimum Standards of Housing Accommodations and Amenities Act 1990.
- Occupational Safety and Health Act 1994.
- Industrial Relations Act 1967.
- Trade Unions Act 1959.
- Sarawak Labour Ordinance (Sarawak Cap 76).
- Sabah Labour Ordinance (Sabah Cap 67).
- Minimum Retirement Age Act 2012.
- Malayan Agricultural Producers Association (MAPA) / National Union of Plantation Workers (NUPW) based on the Minimum Wages Order 2022.
- The Dhaka Principles.
- UK Modern Slavery Act 2015.
- ATIPSOM (Anti Trafficking In Persons Smuggling of Migrants) ACT 2007.
- SOCSO Act.

11 ILO INDICATORS OF FORCED LABOUR

The International Labour Organization (ILO) has established 11 core indicators that reveal the existence or risk of forced labour in workplaces and supply chains. These are not just legal definitions; they are practical red flags that any responsible business should embed in recruitment, HR, compliance and supply-chain due diligence frameworks.

Forced labour, according to ILO standards, means work that is not freely chosen and is performed under coercion or the threat of penalty. Companies worldwide now use these indicators to assess risks, protect workers, and ensure compliance with international norms and import/export regulations.

1. Abuse of Vulnerability

Foreign workers are often dependent on a single employer for legal status under the immigration and work permit system. This dependency increases vulnerability, particularly for low-skilled workers with limited local language or English proficiency.

1. Workers accept unfavourable terms due to fear of unemployment or deportation.
2. Workers are pressured to sign contracts without a meaningful understanding.
3. Recruitment agents exploit workers' lack of alternatives or legal knowledge.

Employers must ensure recruitment processes do not exploit immigration dependency. Vulnerability must be mitigated through transparency, language access, and documented consent at every recruitment stage.

2. Deception

Deception commonly occurs during pre-departure recruitment in source countries and during contract substitution upon arrival.

1. Promised wages, job scope, or accommodation differ from actual conditions
2. Contracts issued in Malaysia differ from those signed overseas
3. Workers receive documents only after arrival, limiting their ability to refuse.

All employment terms must be disclosed clearly and consistently before departure and must match the terms issued upon arrival in the host country. Any material change requires the worker's free and informed consent.

11 ILO INDICATORS OF FORCED LABOUR

3. Restriction of Movement

Restrictions may arise through employer-controlled accommodation, transport arrangements, or immigration-related practices.

1. Workers require permission to leave worksites or hostels
2. Curfews enforced without a legal basis
3. Employer controls transport in a way that limits personal freedom

Freedom of movement must be respected outside working hours. Any safety-related controls must be reasonable, lawful, and not punitive or coercive.

4. Isolation

Many foreign workers are housed in remote estates, industrial zones, or plantations, increasing isolation risks.

1. Limited access to communication facilities
2. Restrictions on visitors or external contact
3. Lack of access to worker representation or grievance channels

Employers must ensure workers can communicate freely with families, embassies, unions, and authorities, and are informed of grievance mechanisms available in host country.

5. Physical and Sexual Violence

While extreme incidents have been reported, particularly where power imbalance, fear of job loss, or undocumented status exists.

1. Violence used to discipline or intimidate
2. Sexual harassment linked to housing or supervisory control
3. Retaliation against those who complain

A zero-tolerance policy must be enforced, supported by confidential reporting channels, immediate investigation, and protection from retaliation.

6. Intimidation and Threats

Threats often relate to work permit cancellation, police reports, or deportation.

1. Threats to cancel permits if workers complain or refuse overtime
2. Use of immigration status as leverage
3. Threats of reporting workers to authorities

Supervisors and agents must be prohibited from using immigration consequences as a disciplinary tool. Employment decisions must be separate from immigration intimidation.

11 ILO INDICATORS OF FORCED LABOUR

7. Retention of Identity Document

Passport retention has historically been a high-risk issue in some host countries and remains a key audit focus.

1. Employer or agent holds passports “for safekeeping” without genuine consent
2. Workers cannot access documents freely
3. Documents used to control movement or resignation

Workers must retain possession of their passports. If voluntary safekeeping is requested, it must be documented, accessible at all times, and free of pressure.

8. Withholding of Wages

Wage practices are closely scrutinised under the host country's labour law and international buyer requirements.

1. Delayed wages tied to permit renewal or productivity targets
2. Unauthorized deductions, especially for recruitment or accommodation
3. Lack of payslips or opaque wage calculations

Wages must be paid on time, in full, and supported by itemised payslips. Deductions must be lawful, transparent, and consented to in writing.

9. Debt Bondage

Recruitment-related debt remains one of the highest forced labour risks, particularly where private agents operate in source countries.

1. Workers pay recruitment, medical, training, or travel fees
2. Loans tied to employment, limiting the ability to resign
3. Wage deductions to recover recruitment costs

Employers must adopt the Employer Pays Principle, ensuring no recruitment-related costs are borne by workers, directly or indirectly.

10. Abusive Working and Living Conditions

Conditions may become coercive when workers feel they must endure poor treatment to retain legal employment.

1. Substandard accommodation or overcrowding
2. Unsafe working conditions without effective complaint mechanisms
3. Denial of medical care or rest days

Working and living conditions must meet legal standards and industry norms. Poor conditions combined with restricted choice elevate forced labour risk.

11 ILO INDICATORS OF FORCED LABOUR

11. Excessive Overtime

Excessive overtime is common in labour-intensive sectors and becomes a forced labour indicator when refusal leads to a penalty.

1. Mandatory overtime presented as “voluntary”
2. Threats of dismissal or permit cancellation for refusal
3. Inadequate overtime compensation

Overtime must be genuinely voluntary, legally compliant, and fairly compensated. Workers must be able to refuse without consequence.

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